



Maryland Department of Budget & Management

*DBM – people and technology...
a partnership for the new millennium*

*Office of the Secretary
Division of Policy Analysis*

*ROBERT L. EHRLICH, JR.
Governor*

*MICHAEL S. STEELE
Lieutenant Governor*

*JAMES C. DIPAULA
Secretary*

November 26, 2003

Central Collection Unit IFB #F10R4200080 Statewide Debt Collection Services IFB Addendum #1

The above referenced IFB is hereby revised as follows:

1. The primary office location requirement has been changed. The contractor will not be required to have a primary office location within a 30 mile radius of the Baltimore Metro Region. See Part I, Section 1.1 and Part III, Section 3.4 of the attached amended IFB.
2. Part II, Section 2.4: The second paragraph in this section has been deleted in its entirety. The contractor will be required to make daily deposits, regardless of the contractor's office location. See the amended IFB.
3. Part II, Section 2.1: The fourth sentence in the paragraph should read as follows:

“See Attachment H for a Description of the Debts Frequently Sent to CCU.”

This attachment was mistakenly omitted from the initial list of attachments, but is now being provided with this Addendum #1.

4. Part I, Section 1.6: The deadline for receipt of bids has been extended to Wednesday, December 17, 2003 at the same time, 12:00 noon. See the attached amended IFB document.
5. Part I, Section 1.14: See the attached amended IFB document for additional language regarding the bidder's responsibility for acknowledging receipt of addenda.

NOTE: Acknowledgement of receipt of this IFB Addendum #1 must accompany the bid documents.

Central Collections Unit IFB #F10R4200080
Statewide Debt Collection Services
Q&A's
November 26, 2003

1. **“We currently use several Minority Business Enterprises, but wonder if you are requiring that we work with only those businesses certified by the State of Maryland. Can you provide clarification?”**

Answer: In order for the successful contractor to receive credit towards the contract's 20% Minority Business Enterprise (MBE) participation goal, the participation must be from a subcontractor that is certified through the Maryland Department of Transportation (MDOT).

2. **“Are you interested in a proposal or only a bid...?”**

Answer: The State is interested in receiving bids pursuant to the State's Competitive Sealed Bids procurement method. The bid in this instance, represents the percentage of collected and deposited monies that the contractor will receive in exchange for successfully collecting debts on behalf of the State. Based on this reimbursement arrangement, the contractor has an incentive to utilize the tools, procedures, etc. that have been proven successful and that will result in maximum collection activity. The award will go to the responsive and responsible bidder who offers the most competitive (lowest) commission rate.

3. **“Currently, [we] do not have an office in the required 30 mile radius of Baltimore. May we propose to open a collection office that meets that requirement if awarded the contract? Will the State accept and consider this as an option or will the State only accept vendors who have an office currently in operation at the time of proposal submission?”**

Answer: Please see IFB Amendment #1. The requirement has been changed so that a contractor must have at least one office located within the State of Maryland that will serve as the primary office for purposes of the contract. The 30-mile regional requirement has been eliminated. The contractor must also be licensed in the State of Maryland as a debt collection agency.

4. **Will the State provide some type of incentive to the contractor for locating debtors who have wage activity that is subject to wage garnishment?**

Answer: The CCU currently conducts a quarterly wage match on both CCU (internal) accounts and contractor-referred (external) accounts. If the wage match identifies debtors who are subject to wage garnishment, and the account has already been referred to the contractor, CCU recalls those accounts from the contractor because State law requires that the Attorney General of Maryland represent CCU in all court proceedings, including wage garnishments. In these situations, the contractor will not receive commission on any collections received as a result of State-initiated garnishments.

5. **Will the State consider compensating the contractor separately for expenses related to acceptance of phone-initiated credit card payments?**

Answer: No. The CCU considers this type of expense to be part of the cost of doing business, and as such, should be factored into the bidder's bid response (% commission) along with all other associated

expenses and overhead. Any collection strategies used by the contractor to enhance collections is of benefit to the contractor as well as the State in the form of increased revenue/earnings.

6. Who is the State's current vendor for this program and what is their commission?

Answer: The current vendor is Charles Chlan & Associates. Their commission rate is 10%.

7. With how many vendors does the State intend to contract?

Answer: The State intends to award one contract from this solicitation.

8. If the Prime contractor does not anticipate the need to subcontract any of the services provided under this contract and our overall MBE usage meets this goal, will the prime contractor be required to subcontract services specifically for this contract to meet the goal?

Answer: The successful bidder is encouraged to utilize MBE subcontractors that can participate in the substantive portion of the contract (in this instance, debt collection services), if certified, qualified MBE subcontractors are available to do so. As part of the contractor's good faith effort to comply with the MBE requirement, the contractor should consult with the MDOT to determine the availability of MBEs who provide debt collection services. In the absence of such availability, the prime contractor may utilize MBEs in other contract-related work areas in order to meet the participation goal.